

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1399 – SB 1447

March 20, 2019

**SUMMARY OF ORIGINAL BILL:** Requires the Department of Human Services (DHS) to submit a biannual report to the General Assembly, no later than January 15, 2021 and every two years thereafter, on its findings and recommendations regarding the poverty reduction plan.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (005735):** Deletes all language after the enacting clause. Requires the Department of Health (DOH) to calculate the amount of the first payment due to a merchant determined eligible to participate in the Special Supplemental Food Program for Women, Infants, and Children (WIC) from the date the merchant submitted an application to participate in the program, to the extent federal financial participation is available.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Other Fiscal Impact – Passage of this legislation could jeopardize federal funding received for the Special Supplemental Food Program for Women, Infants and Children (WIC). The extent and timing of any federal funding reduction is unknown and dependent upon action of the federal government.**

Assumptions for the bill as amended:

- WIC is a federally-funded program designed to provide supplemental food assistance and nutrition education to low-income pregnant, postpartum, and breastfeeding women, infants, and children until age five.
- Pursuant to 7 CFR § 246.12(a)-(g), a state agency can only permit authorized WIC vendors to accept food instruments and cash value vouchers. A vendor is not authorized to accept food instruments and case value vouchers until the application has been reviewed, approved, and a store visit has been conducted to ensure adequate stock,

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sanitation and operations are within program requirements, as set out in the State Plan of Operations.

- The proposed legislation would result in the DOH being required to reimburse WIC vendors for food instruments and case value vouchers the vendor accepted prior to becoming authorized to do so.
- Pursuant to 7 CFR § 246.19(a)(2), up to 100 percent of WIC funding may be withheld if a state agency is found to be out of compliance with WIC program requirements and does not take actions to correct the deficiencies and prevent their future recurrence.
- Passage of this legislation would increase the likeliness DOH would fail to comply with federal WIC requirements and could jeopardize a portion of the federal funding received for the Special Supplemental Food Program for Women, Infants and Children.
- In FY17-18, Tennessee received \$69,427,984 from the WIC food grant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/vlh